Husky Energy

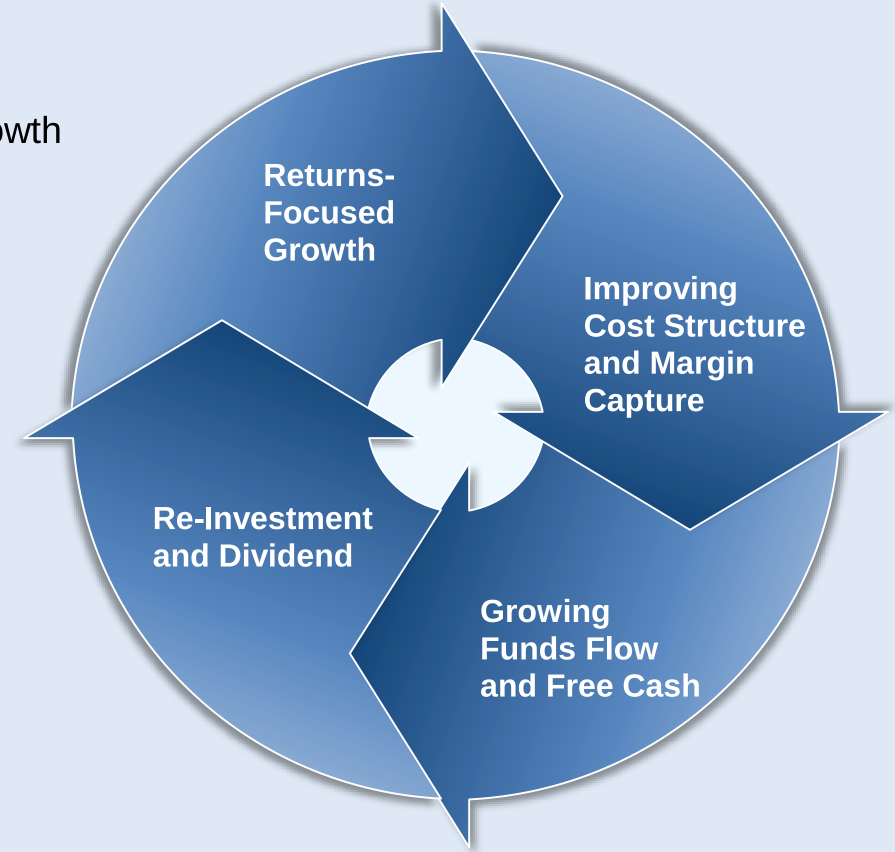
2017 Annual Meeting of Shareholders

April 26, 2018

Value Proposition

Strong Defense . . . Strong Offence

- Production and throughput growth from a large inventory of low cost projects = returns-focused growth
- Improving earnings and cash break-evens
- Strong growth in funds from operations and free cash flow
- Increasing cash returns to shareholders
- Integration and fixed-price gas sales in Asia provide resilience to volatile market conditions while preserving upside



Delivering the Five Year Plan

2017 Highlights – All Annual Targets Met or Exceeded

Integrated Corridor

Thermal

- 22% year-over-year production increase
- Sanctioned two new Lloyd thermal projects
- Tucker and Sunrise ramp-ups on track

Resource Plays

- Completed transition, ready to grow

Downstream

- 95% overall utilization rate
- Superior Refinery acquisition

Offshore

Atlantic

- Sanctioned 52,500 bbls/day West White Rose Project
- Accelerated two infill wells

Asia Pacific

- Record annual Liwan gas volumes of 176 mmcf/day
- Sanctioned Liuhua 29-1; first gas in 2021
- First production at BD Project

Key Metrics	I-Day 2017F	2017	Status
Production (mboe/day)	**320 – 335**	**323**	✔
Funds from operations (FFO)[1]	**$3.3B**	**$3.3B**	✔
Free cash flow (FCF)[1]	**$750M**	**$1.1B**	✔
Upstream operating cost/bbl	$14.25	$13.93	✔
Downstream realized margins/bbl (Cdn)	$15.00	$15.00	✔
Earnings break-even oil price (US WTI)[2]	~$43.60	$40.56	✔
Ranges and Targets			
Sustaining capital[3]	$1.8B	$1.8B	✔
Capital spending[4,5]	$2.5-$2.6B	$2.2B	✔
Five-year av. proved reserves replacement ratio[6]	> 130%	167%	✔
Net debt to FFO[7]	< 2x	< 1.0x	✔

1,2,3,4,5,6 & 7 see Slide Notes and Advisories

Focused Strategy

Ongoing Cost Structure Reductions

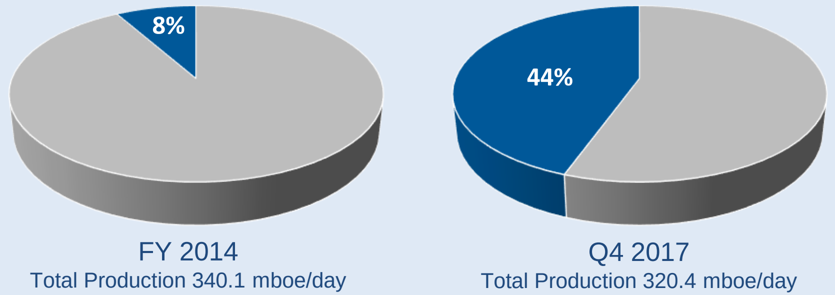
Actions:

- Divested non-core, higher cost legacy assets
- Added higher quality inventory and lower cost production

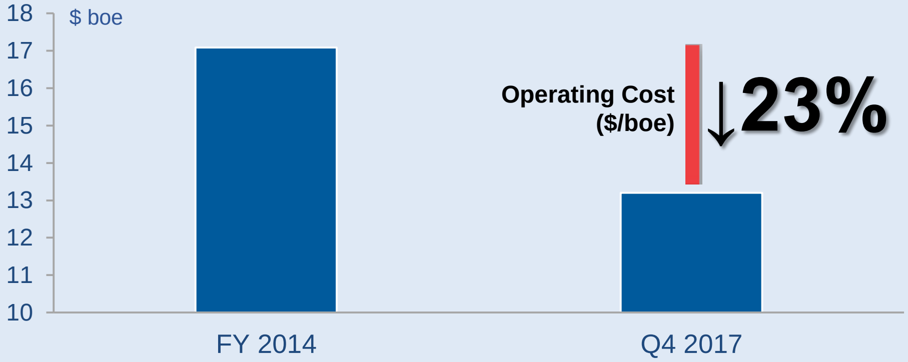
Results:

- Reduced average supply cost
- Lowered unit operating costs
- Reduced sustaining capital requirements
- Minimal exposure to industry cost inflation

Proportion of Production <$10/boe Operating Cost

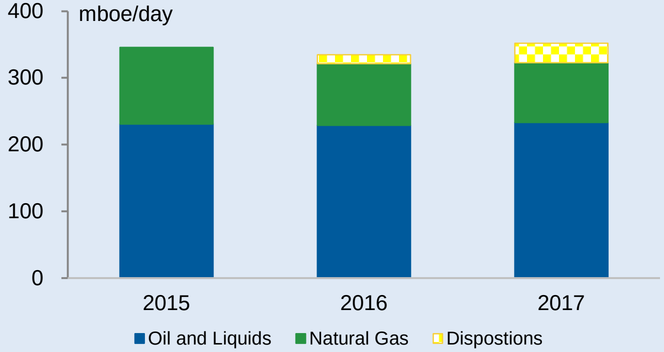


Upstream Operating Cost

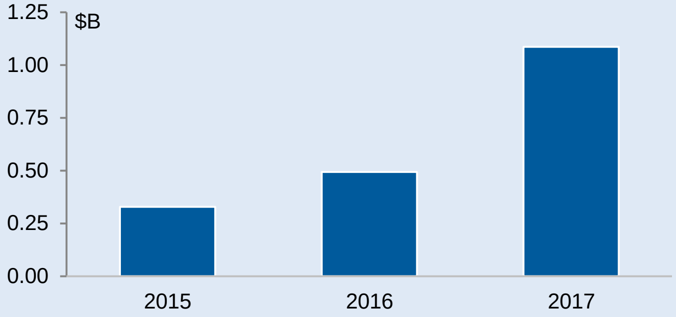


Improved Performance

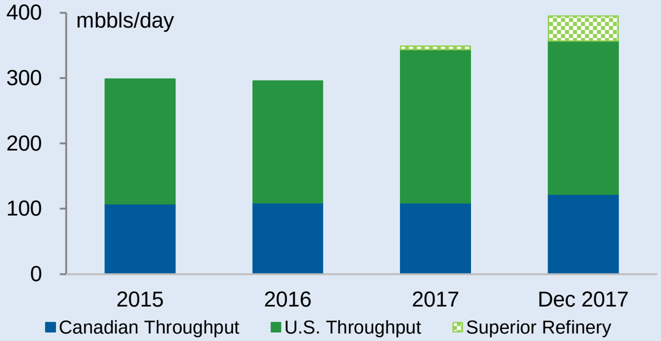
Production



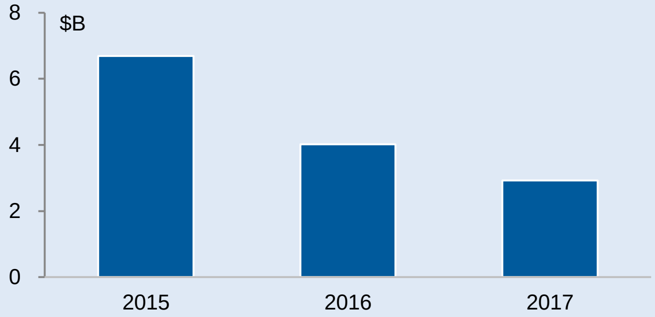
Free Cash Flow



Refinery and Upgrader Throughputs



Net Debt



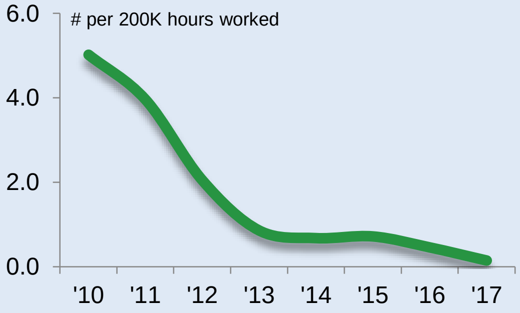
Safety and ESG

ESG Performance and Reporting

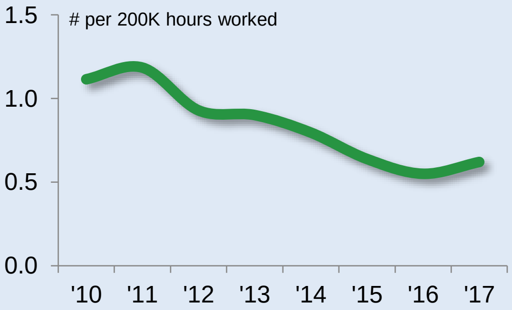
- Process and occupational safety
- Air emission controls and carbon capture
- Freshwater use
- Community investment
- Indigenous engagement
- Diversity and inclusion

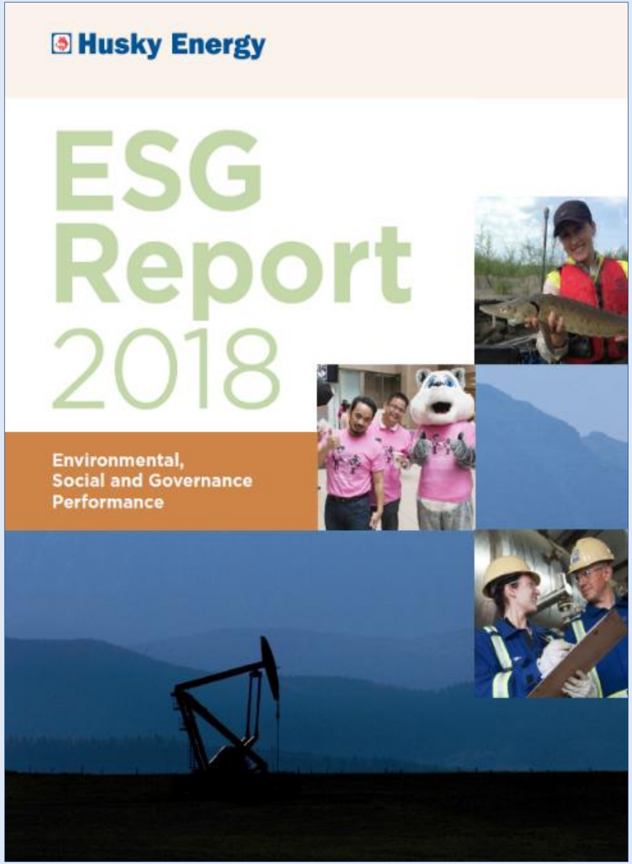
Safety Performance

Critical & Serious Incidents



Total Recordable Incident Rate





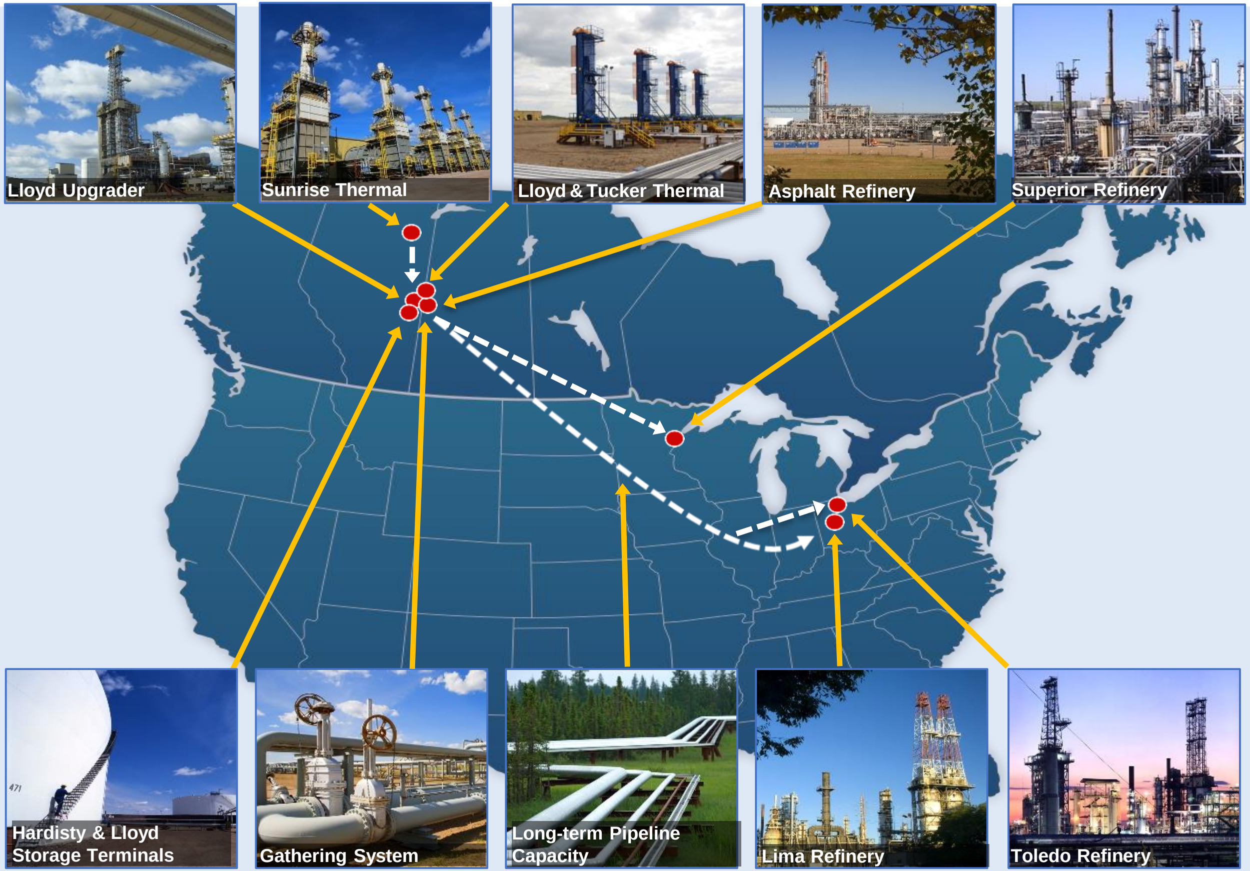
Two Businesses

Generating Steady Free Cash Flow And Higher Return Production Growth

Integrated Corridor | **Offshore**

Physically Integrated Assets

Ensures Capture of Full Value For Our Products



Growing the Corridor

Reservoir to Refined Products

Heavy Oil & Thermals – ~240,000 bbls/day net by 2021

- 60,000 bbls/day of thermal production in flight
- Tucker & Sunrise ramping up to 60,000 bbls/day net

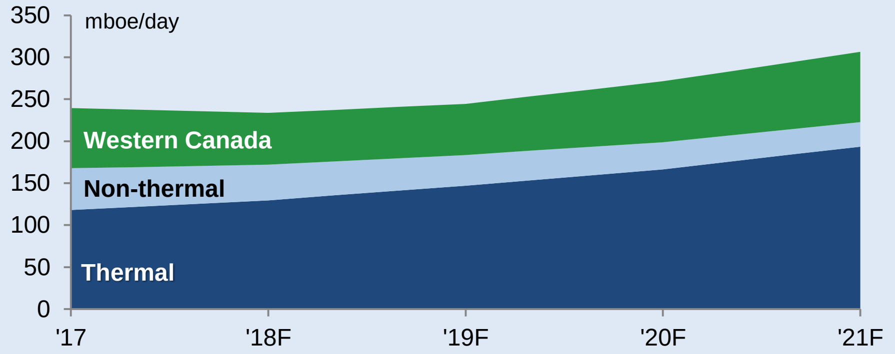
Resource Plays

- Montney delineation ongoing at Wembley and Kakwa
- Paced development of Wilrich play at Ansell
- Large land base – room to run

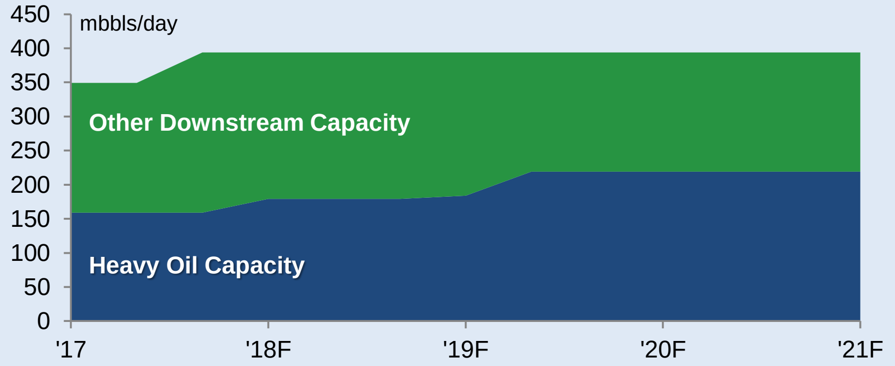
Downstream

- Superior Refinery integration and upgrade
- Lima Crude Oil Flexibility project
- Ongoing value chain capture

Integrated Corridor Upstream Production Profile



Downstream Processing Capacity

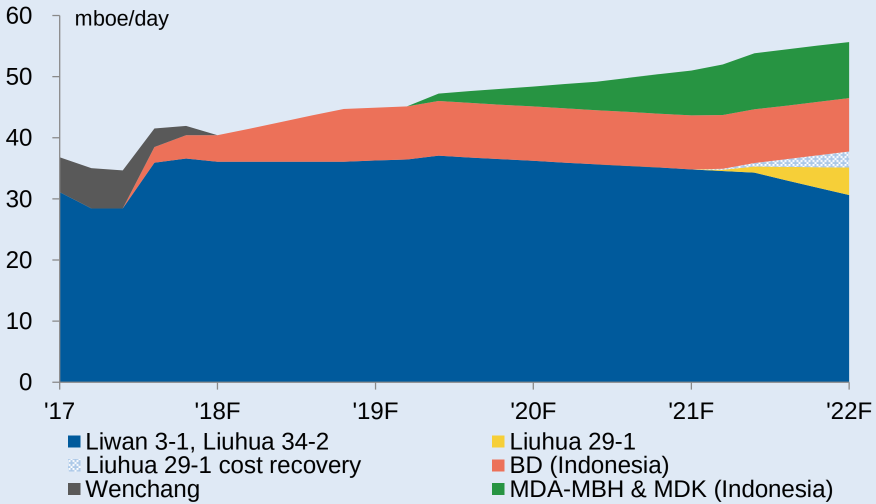


Asia Pacific

Strong Free Cash Flow Generator

- BD field began production in July 2017
    - Ramping up to full sales gas rates
- Liuhua 29-1 field sanctioned (75% Husky)
    - First gas expected in 2020

Five-Year Production Profile

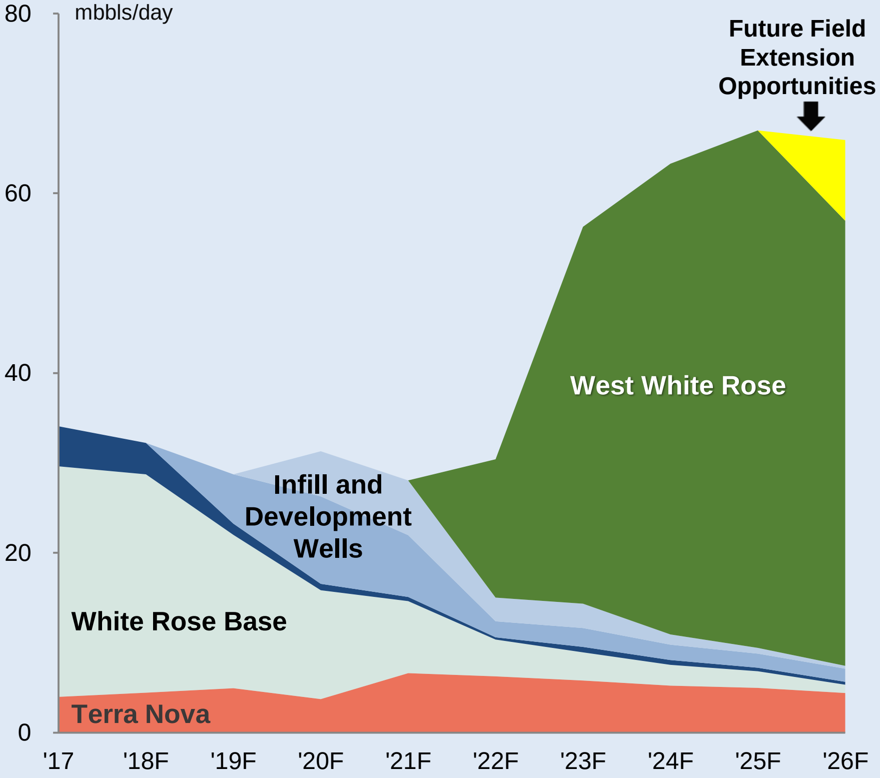


Atlantic

West White Rose Signals Next Era of Offshore Production Growth

- West White Rose Project sanctioned in 2017
    - First oil targeted in 2022
    - Expected net peak production of 52,500 bbls/day

Atlantic Production Profile



Value Proposition

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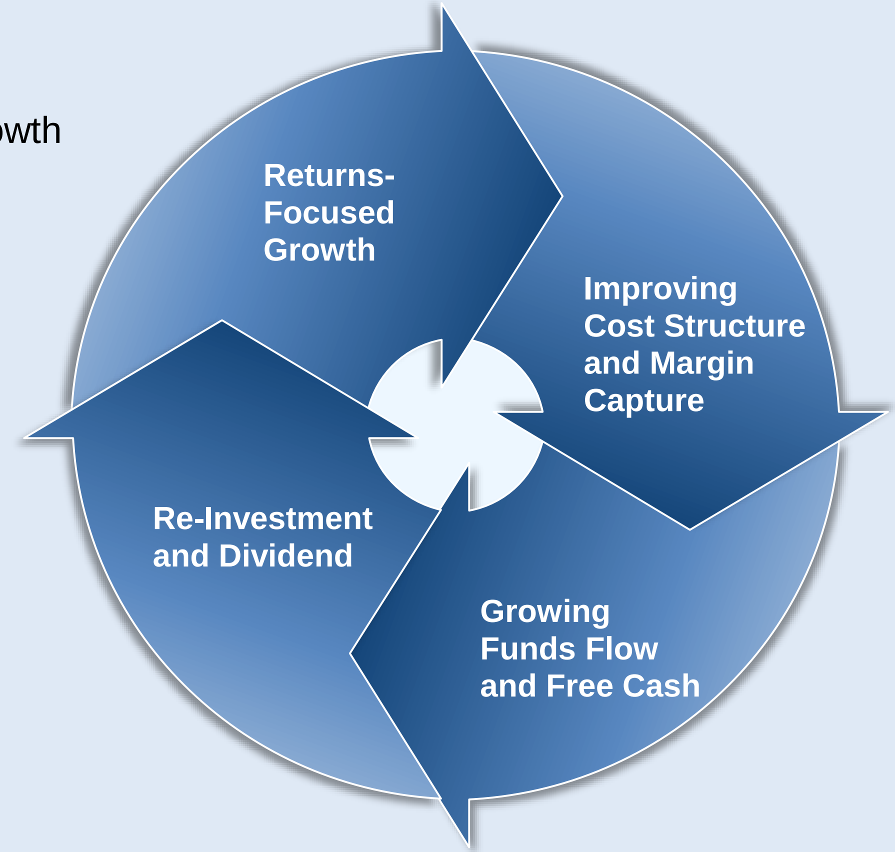

Husky Energy

Slide Notes and Advisories

Slide Notes

Slide 3

1. Funds from operations and free cash flow, as referred to throughout this presentation, are non-GAAP measures. Calculations of funds from operations and free cash flow have changed from prior periods. Prior periods have been restated to conform to current presentation. Please see *Advisories* for further detail.
2. Earnings break-even, as referred to throughout this presentation, is a non-GAAP measure. Please see *Advisories* for further detail.
3. Sustaining capital, as referred to throughout this presentation, is a non-GAAP measure. Please see *Advisories* for further detail.
4. Capital spending, as referred to throughout this presentation, excludes asset retirement obligations and capitalized interest unless otherwise indicated.
5. Capital expenditures in Asia Pacific exclude amounts related to the Husky-CNOOC Madura Ltd. joint venture, which is accounted for under the equity method for financial statement purposes.
6. Excludes economic factors; 165 percent including economic factors.
7. Net debt and net debt to funds from operations, as referred to throughout this presentation, are non-GAAP measures. Please see *Advisories* for further detail.

Advisories

Forward-looking Statements and Information

Certain statements in this presentation, including “financial outlook”, are forward-looking statements and information (collectively “forward-looking statements”), within the meaning of the applicable Canadian securities legislation, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. The forward-looking statements contained in this presentation are forward-looking and not historical facts.

Some of the forward-looking statements may be identified by statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as “will likely result”, “are expected to”, “will continue”, “is anticipated” “is targeting”, “estimated”, “intend”, “plan”, “projection”, “could”, “aim”, “vision”, “goals”, “objective”, “target”, “schedules” and “outlook”). In particular, forward-looking statements in this presentation include, but are not limited to, references to:

- with respect to the business, operations and results of the Company generally: the Company’s general strategic plans and growth strategies; and the impact of the Superior Refinery on free cash flow for 2017 to 2021;

- with respect to the Company’s business in the Integrated Corridor: forecast production for the years 2018 to 2021, broken down by non-thermal and thermal projects and Western Canada; timing of ramp-up of Sunrise and Tucker production growth for 2018; forecast downstream throughputs for 2018 to 2021 (broken down by heavy oil and other downstream capacity); crude oil flexibility project at Lima; and additional heavy oil capacity at Superior and timing thereof;

- with respect to the Company's Offshore business in Asia Pacific: five-year production profile for Liwan 3-1 and Liuhua 34-2, Liuhua 29-1, Liuhua 29-1 cost recovery, BD (Indonesia) and MDA-MBH & MDK (Indonesia); and timing of first production from Liuhua 29-1; and

- with respect to the Company’s Offshore business in the Atlantic: 10-year production profile for the region (broken down by project); and expected timing for and net peak production at West White Rose.

There are numerous uncertainties inherent in projecting future rates of production and the timing of development expenditures. The total amount or timing of actual future production may vary from production estimates.

Advisories

Certain of the information in this presentation is “financial outlook” within the meaning of applicable securities laws. The purpose of this financial outlook is to provide readers with disclosure regarding the Company’s reasonable expectations as to the anticipated results of its proposed business activities. Readers are cautioned that this financial outlook may not be appropriate for other purposes.

Although the Company believes that the expectations reflected by the forward-looking statements presented in this presentation are reasonable, the Company’s forward-looking statements have been based on assumptions and factors concerning future events, including timing of regulatory approvals, that may prove to be inaccurate. Those assumptions and factors are based on information currently available to the Company about itself and the businesses in which it operates. Information used in developing forward-looking statements has been acquired from various sources including third-party consultants, suppliers, regulators and other sources.

Because actual results or outcomes could differ materially from those expressed in any forward-looking statements, investors should not place undue reliance on any such forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes will not occur. Some of these risks, uncertainties and other factors are similar to those faced by other oil and gas companies and some are unique to Husky.

The Company’s Annual Information Form for the year ended December 31, 2017 and other documents filed with securities regulatory authorities (accessible through the SEDAR website www.sedar.com and the EDGAR website www.sec.gov) describe risks, material assumptions and other factors that could influence actual results and are incorporated herein by reference.

New factors emerge from time to time and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on the Company’s business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. The impact of any one factor on a particular forward-looking statement is not determinable with certainty as such factors are dependent upon other factors, and the Company's course of action would depend upon management’s assessment of the future considering all information available to it at the relevant time. Any forward-looking statement speaks only as of the date on which such statement is made and, except as required by applicable securities laws, the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events.

Advisories

Non-GAAP Measures

This presentation contains certain terms which do not have any standardized meanings prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. None of these measures is used to enhance the Company's reported financial performance or position. With the exception of funds from operations, free cash flow and net debt, there are no comparable measures to these non-GAAP measures in accordance with IFRS. The following non-GAAP measures are considered to be useful as complementary measures in assessing Husky's financial performance, efficiency and liquidity:

- “Earnings break-even” reflects the average WTI oil price per barrel priced in US dollars for 2017 required in order to generate a net income of Cdn $0 over a 12-month period ending December 31. The 2017 earnings break-even is based on the actual U.S./Canadian dollar exchange rate (0.771), light-heavy oil differentials (US$11.76/barrel US) and refining margins (Chicago 3:2:1 crack spread US$16.31/barrel) and the, downstream facility throughputs, production levels and capital spending achieved in 2017. Earnings break-even is used to assess the impact of changes in WTI oil prices on the net income of the Company and could impact future investment decisions.

- “Funds from operations" or “FFO” is a non-GAAP measure which should not be considered an alternative to, or more meaningful than, “cash flow – operating activities” as determined in accordance with IFRS, as an indicator of financial performance. Funds from operations is presented in the Company’s financial reports to assist management and investors in analyzing operating performance by business in the stated period. Funds from operations equals cash flow – operating activities plus items not affecting cash, which include settlement of asset retirement obligations, deferred revenue, income taxes received (paid), interest received and change in non-cash working capital. Funds from operations has been restated in the second quarter of 2017 in order to be more comparable to similar non-GAAP measures presented by other companies. Changes from prior period presentation include the removal of adjustments for settlements of asset retirement obligations and deferred revenue. Prior periods have be restated to conform to current presentation.

- “Free cash flow” or “FCF” is a non-GAAP measure which should not be considered an alternative to, or more meaningful than, “cash flow – operating activities” as determined in accordance with IFRS, as an indicator of financial performance. Free cash flow is presented in this presentation to assist management and investors in analyzing operating performance by business in the stated period. Free cash flow equals funds from operations less capital expenditures. Free cash flow has been restated in the first quarter of 2018 in order to be more comparable to similar non-GAAP measures presented by other companies. Changes from prior period presentation include the addition of investment in joint ventures. Prior periods have been restated to conform to current presentation.

Advisories

- The following table shows the reconciliation of net earnings to funds from operations and free cash flow, and related per share amounts, for the periods indicated:

	12 months ended		
	Dec. 31	Dec. 31	Dec. 31
($ millions)	2017	2016	2015
Net earnings (loss)	786	922	(3,850)
Items not affecting cash:			
Accretion	112	126	121
Depletion, depreciation, amortization and impairment	2,882	2,462	8,644
Inventory write-down to NRV	-	9	22
Exploration and evaluation expenses	6	86	242
Deferred income taxes	(359)	29	(1,827)
Foreign exchange loss (gain)	(4)	(4)	27
Stock-based compensation	45	33	(39)
Loss (gain) on sale of assets	(46)	(1,634)	(16)
Unrealized mark to market loss (gain)	56	38	-
Share of equity investment loss (gain)	(61)	(15)	-
Other	16	24	5
Settlement of asset retirement obligations	(136)	(87)	(98)
Deferred revenue	(16)	209	102
Distribution from joint ventures	25	-	-
Change in non-cash working capital	398	(227)	427
Cash flow - operating activities	3,704	1,971	3,760
Change in non-cash working capital	(398)	227	(427)
Funds from operations	3,306	2,198	3,333
Capital expenditures	(2,220)	(1,705)	(3,005)
Free cash flow	1,086	493	328
Weighted average number of common shares outstanding	1,005.3	1,004.9	984.1
Per common share - Basic ($/share)	3.29	2.19	3.39

Advisories

- "Net debt" is a non-GAAP measure that equals total debt less cash and cash equivalents. Total debt is calculated as long-term debt, long-term debt due within one year and short-term debt. Net debt is considered to be a useful measure in assisting management and investors to evaluate the Company's financial strength.
- The following table shows the reconciliation of total debt to net debt as at the dates indicated:

($ millions)	Dec. 31 2017	Dec. 31 2016	Dec. 31 2015
Short-term debt	200	200	720
Long-term debt due within one year	-	403	277
Long-term debt	5,240	4,736	5,759
Total debt	5,440	5,339	6,756
Cash and cash equivalents	(2,513)	(1,319)	(70)
Net debt	2,927	4,020	6,686

- "Net debt to funds from operations" is a non-GAAP measure that equals net debt divided by funds from operations. Net debt to funds from operations is considered to be a useful measure in assisting management and investors to evaluate the Company's financial strength.
- "Sustaining capital" is a non-GAAP measure that reflects the additional development capital that is required by the business to maintain production and operations at existing levels. Sustaining capital does not have any standardized meaning and therefore should not be used to make comparisons to similar measures presented by other issuers.

Advisories

Disclosure of Oil and Gas Information

Unless otherwise indicated: (i) projected and historical production volumes provided represent the Company's working interest share before royalties; and (ii) historical production volumes provided are for the year ended December 31, 2017 unless other wise indicated. The Company has disclosed its total reserves in Canada in its Annual Information Form for the year ended December 31, 2017, which reserves disclosure is incorporated by reference in this presentation.

The Company uses the term "barrels of oil equivalent" (or "boe"), "thousand cubic feet of gas equivalent" (or "mcfe") and "billion cubic feet of gas equivalent (or "bcfe"), which are consistent with other oil and gas companies' disclosures. Boe amounts have been calculated by using the conversion ratio of 6 mcf of natural gas to 1 bbl of oil and mcfe amounts have been calculated by using the conversion ratio of 1 bbl of oil or NGL to 6 mcf of natural gas. A boe conversion ratio of 6 mcf: 1 bbl and an mcfe conversion ratio of 1 bbl: 6 mcf are based on an energy equivalency conversion method primarily applicable at the burner tip and do not represent value equivalency at the wellhead. Readers are cautioned that the terms boe and mcfe may be misleading, particularly if used in isolation.

The Company uses the term "reserves replacement ratio", which is consistent with other oil and gas companies' disclosures. Reserve replacement ratios for a given period are determined by taking the Company's incremental proved reserve additions for that period divided by the Company's upstream gross production for the same period. The reserve replacement ratio measures the amount of reserves added to a company's reserve base during a given period relative to the amount of oil and gas produced during that same period. A company's reserve replacement ratio must be at least 100 percent for the company to maintain its reserves. The reserve replacement ratio only measures the amount of reserves added to a company's reserve base during a given period.

All currency is expressed in Canadian dollars unless otherwise indicated.

Investor Relations Contacts

Dan Cuthbertson
Director, External Communications and Investor Relations
dan.cuthbertson@huskyenergy.com

Rob Knowles
Senior Manager, Investor Relations
rob.knowles@huskyenergy.com

Todd McBride
Senior Investor Relations Analyst
todd.mcbride@huskyenergy.com

Contact us at www.huskyenergy.com
investor.relations@huskyenergy.com
1-855-527-5005